



## **The Delaware Health Care Commission (DHCC) Meeting**

October 3, 2024

9:00 a.m. - 11:00 a.m.

### **Meeting Attendance and Minutes**

**Commission Members Present In-Person:** Dr. Nancy Fan (St. Francis) and Nick Moriello (Highmark Delaware)

**Commission Members Attending Virtually:** Dr. Jan Lee (DHIN), Cabinet Secretary Josette Manning (DHSS), Melissa Marlin (designee for Cabinet Secretary Rick Geisenberger), Trinidad Navarro (DOI), Stephanie Traynor (DSCYF), and Mike Quaranta

**Commission Members Absent:** Cabinet Secretary Rick Geisenberger and Ted Becker

**Meeting Facilitator:** Dr. Nancy Fan, Chair

**Health Care Commission Staff:** Elisabeth Massa (Executive Director), Latoya Wright (Manager of Statistics and Research), Sue Walters (Public Health Treatment Program Administrator), and Sheila Saylor (Admin)

**Anchor Location:** The Chapel, Herman M. Holloway Sr. Health and Social Services Campus  
1901 N. DuPont Highway, New Castle, DE 19720

### **CALL TO ORDER**

After confirming a quorum, Dr. Fan called the meeting to order at approximately 9:05 a.m. Public attendees were reminded to identify themselves by placing their name and affiliation in the chat box and those attending in person to sign the sign-in sheet in the Chapel. Dr. Fan mentioned that October is Breast Cancer Awareness Month, Substance Use Disorder Prevention Month, Health Literacy Month, COVID and Flu season, and that today is the first day of Rosh Hashanah.

### **BOARD BUSINESS**

**ACTION ITEM: Approve September 5, 2024, Meeting Minutes**

The Commissioners reviewed the meeting minutes from September 5, 2024. Dr. Fan asked if there were any comments. Hearing none, Nick Moriello (Highmark Delaware), made a motion to approve the minutes and Secretary Josette Manning seconded. No objections were made. The commissioners approved the minutes which are available on the [DHCC Website](#).

## **POLICY DEVELOPMENT**

### **Reinsurance**

Steven Constantino, Director of Healthcare Reform, and Peter Scharl (Oliver Wyman) presented the annual update on the Reinsurance program.

Mr. Constantino explained how the Reinsurance program works. The program developed as a result of the 2018 establishment of the Affordable Care Act (ACA) and Healthcare.gov. At the time, carriers were leaving the Marketplace and there were high premium increases every year. A study was conducted (SCR 70), to determine options for the State of Delaware to increase health insurance affordability. This led to the Department of Health and Human Services approving a 1332 waiver which waived the rules of the ACA to lower the premiums in the marketplace to be reviewed every 5 years. The goal of the Reinsurance program is to reduce member premiums in the Individual ACA market.

Mr. Constantino described how the Reinsurance program is funded. The Reinsurance program pays 70% of insurance claims removing that expenditure from the carriers. The carriers lower their premiums because they no longer have that expense that the program is taking on. The federal government stated that if we lower premiums their tax credits will be lower, and they will give Delaware the difference. The federal government sends those funds to Delaware in what is termed as pass-through funds.

Peter Scharl (Oliver Wyman) presented an actuarial update on the Reinsurance program. He showed how the average gross premium Per Member Per Month (PMPM) for enrollees decreased significantly in 2020 due to the implementation of the Reinsurance program and has increased by an average of 2-3% annually in the years following the start of the program.

Mr. Scharl explained that all insurers offering coverage in the Individual ACA market are eligible to participate in the program. The program is estimated to reduce member premiums in the Individual market by approximately 13.3% in 2025 relative to if no reinsurance program were in place. This estimate includes an assumption that the morbidity of the single risk pool will be 0.3% lower in 2025 relative to if no reinsurance program were in place. The total cost of the reinsurance program for 2025 is projected to be \$85.4 Million; Delaware's portion of that cost is projected to be \$26.3 million. Individual ACA enrollment is projected to increase in 2025 relative to 2024, primarily due to the full impact of Medicaid Redeterminations which is

mandated annually. Mr. Scharl stated that in the Individual ACA Market distribution by age has shifted toward younger ages and the percentage of members with an FPL of <200 increased significantly in 2024.

Dr. Fan asked Mr. Scharl if he had any graphics showing the Federal Poverty Level (FPL) for each demographic. Mr. Scharl answered, saying they have not collected that data, but Oliver Wyman could if needed. He surmised that according to the data shown the greatest increase would be 18-44 yrs. and the decrease is 55+ and less than 18 yrs.

Dr. Fan asked a follow-up question if we're saying the increase in 2024, is due to Medicaid, re-enrollment, and people disenrolling, do we see that as a temporary transitory change, or is it going to become stable? Ryan Schultz (Oliver Wyman) commented that if the Inflation Reduction Act which is set to expire after 2025 is not continued, we will see some movement in the Marketplace.

Mr. Costantino added that one of the concerns with the Reinsurance program is the cost. Research is being done on how many claims are repeat individuals, how many are new claims and what is the effect of value base arrangements. Mr. Costantino explained that some of the drivers' accelerating costs are as expected, utilization, but also weight loss and diabetic drugs.

Melissa Marlin asked how does that 13% premium reduction or even the cost of this program going up, how does that get reflected in the spending data collected? Mr. Costantino answered it's not reflected in the spending data. When the carriers file their rates, CMS asks if they have lowered their premiums due to the Reinsurance Program. When you see those reductions in premiums listed over the years of the 15% and 13%, that's a reduction relative to what the premiums would have been without the reinsurance plan.

Nick Moriello commented that as a point of reference, in 2020 there were 20,000 Delaware residents in the Marketplace and in 2024 there are 40,000 residents in the Marketplace.

Mr. Costantino remarked that 44%- 45% of residents are choosing the higher metal plans which is also an increase.

Dr. Fan reverted to her original question about demographics, type of care, and when they are accessing care. Dr. Fan feels this is a better indicator of why there is an increase in program expenses. Mr. Moriello remarked that there is a greater expense for Medicaid and ACA insurance than commercial. Insurance Commissioner Trinidad Navarro mentioned that if the change in administration moves away from the Inflation Reduction Act it will severely impact insurance premiums. The success of the Reinsurance program is not just because of Medicaid redetermination but an array of factors. Mr. Navarro warned of the importance of going to

Healthcare.gov as opposed to healthcare.org or healthcare.org which will take you to a nefarious site with unauthorized insurance offers.

Dr. Jan Lee asked what percentage of Delawareans are still uninsured. Mr. Costantino and Mr. Navarro stated 5-6%. Mr. Costantino said he would fact-check the numbers.

The Reinsurance Program presentation is available on [the DHCC website](#).

## **UPDATES**

### **CostAware**

Secretary Manning, Gurpreet Kaur (DHIN), and Jonathan Mathieu (Freedman Healthcare) presented an update on CostAware.

Secretary Manning provided a brief overview of CostAware, a collaborative effort of the Department of Health and Social Services (DHSS), the Delaware Health Care Commission (DHCC), and the Delaware Health Information Network (DHIN) to provide transparency around the healthcare dollars being spent by Delawareans and their insurers. The CostAware website shares data about variations in the cost and quality of medical services in Delaware. The website supports initiatives and programs promoting access to high-quality affordable care, fosters collaboration among providers and health plans, and improves health outcomes for Delawareans.

Dr. Gurpreet Kaur showed a welcome video that will play on the CostAware website that will help a user navigate through the website and the various reports featured. Dr. Kaur outlined the methodology of how the claims data collected is used and how the restriction and suppression rules are applied using 3M tools.

Jonathan Mathieu gave a preview of the new and upcoming features on the CostAware website. There will be new cervical cancer and psychoses enhanced pharmacy reports. Added to the website is the Medicare Fee for Service (FFS) and 2022 data, showing results for 2019-2022. The website was redesigned, and dashboards are replacing individual reports.

Elisabeth Massa added that the video that came on after the secretary spoke, will be used as an orientation video. This will help orient the user to the website and demonstrate where and how you can click around the different features. That is a new feature on the website.

A question was asked, how is the DHIN collecting actual data? Dr. Lee responded that by state statute, the Medicaid Managed Care Organizations (MCOs) and commercial plans with 1000 members or more are required to report their claims data to the healthcare claims database. In

addition, DHIN purchases from CMS information on Medicare claims, which includes some comparisons outside the state of Delaware giving us an external benchmark that we can use. However, there is work involved in validating and cleansing the data. It takes a lot of time to work through the data creating a lag between when the event occurred and when complete data is available for analysis.

A question was asked is there any data from states that have more years of CostAware type reporting that suggests that it had an impact on cost or quality? Mr. Mathieu answered that is difficult to isolate the impact of a tool like CostAware on overall healthcare cost and quality trends our goal is to increase transparency and to provide some information for consumers. Dr. Kaur added we try to compare our data with other states. Rhode Island, Maryland, and with National Statistics. This varies a lot and depends upon the clinical practices, small practices big practices, their contractual relationships, and what payment system model they follow.

Dr. Fan added that it is difficult to relate how cost transparency correlates with quality of care. More related is how cost transparency affects the cost of services.

Ms. Massa shared analytic information about the website traffic is collected to help the DHSS know where the users are clicking, how often, and what the more popular reports they view.

The CostAware presentation is available on the [DHCC Website](#).

### **Health Care Quality Benchmarks**

Laurie Klanchar (Mercer Health Benefits) presented an update on the Health Care Quality Benchmarks.

Ms. Klanchar shared a brief background on the Health Care Spending and Quality Benchmarks program. The program was established by Executive Order 25 (signed in November 2018) and went into effect on January 1, 2019. Legislation was established for the benchmarks with HA1/HB442, signed by the Governor on August 19, 2022. Quality benchmarks are developed and set on a rolling 3-year basis.

The purpose of the Quality Benchmarks is to focus attention on important health care related issues/topics that are relevant and meaningful to Delawareans. The intention is to foster accountability at multiple levels (state, insurer, provider) for improved health status. Ms. Klanchar stated that the focus today is on quality measures. The current quality measures and results were reviewed, and the 2025-2027 quality measures were disclosed. DHCC is accepting public comment on the proposed 2025-2027 cycle benchmarks until October 17, 2024, and then they will be finalized. Dr. Fan emphasized that the quality benchmark measures reviewed in the prior slides will still exist and that the new measures are in addition.

The Health Care Quality Benchmarks presentation is available on the [DHCC Website](#).

## **Marketplace**

The updates for the Marketplace were presented by Commissioner Trinidad Navarro. He shared Delaware is fortunate that we've been able to increase competition, emphasize primary care, and address high-cost claims helping to create an insurance marketplace in Delaware that is stabilized. There are 4 carriers on the exchange that offer 45 plans covering 45,000 Delawareans, representing a 77% increase in participation since 2001. Commissioner Navarro stressed the importance of the Inflation Reduction Act which saves participants \$527 per month and how it is critical that this funding continues.

Mr. Costantino thanked the work of the Navigators ensuring that not only Medicaid beneficiaries, but all Delawareans make the right choices in terms of the selections on the marketplace. Dr. Fan highlighted that the open enrollment period is from November 1, 2024, until January 15, 2025, and that those currently enrolled in the Marketplace must reenroll. Mr. Moriello reminded everyone of the Medicare open enrollment period, which is October 15, 2024, through December 7, 2024, and not to confuse the two open enrollment periods.

## **Primary Care Reform Collaborative (PCRC)**

Dr. Fan presented the PCRC updates.

Highlights from the PCRC meeting on July 15, 2024, were the Office of Value-Based Health Care Delivery (OVBHCD) Presentation outlining the final 2023 Primary Care Investment Results. The state's overall investment in primary care increased by 8% compared to 2022, which aligned with the planned targets set by the PCRC. Primary care providers reported a 12% increase in patient engagement, particularly in underserved communities. Delaware experienced Provider retention challenges, which also decreased the ability of patients to have access to care. Some key health outcomes improved, particularly in areas such as chronic disease management (diabetes, hypertension), with over 20% of patients showing measurable improvement in health markers. There was a modest reduction in overall healthcare costs, primarily in hospital readmissions and emergency department visits, which dropped by 10% and 8%, respectively.

The meeting included a Payor Representatives Roundtable (Highmark Delaware, Aetna, and Division of Medicaid and Medical Assistance) that presented an update on the adoption and progress of value-based care models, payment reform, and quality improvement initiatives.

Dr. Fan introduced the PCRC workgroups (Practice Model, Value-Based Care Model, Communications, and Quality Measures).

Mr. Moriello asked does the PCRC have an Evergreen body. Dr. Fan replied no it is not part of the sunset.

The PCRC presentation is available on the [DHCC Website](#).

Dr. Fan mentioned the DIMER board legislation passed and was signed by the Governor.

**PUBLIC COMMENT**

No public comment

**ADJOURN**

Dr. Fan adjourned, the meeting at 10:30 a.m.

**UPCOMING MEETING**

The November meeting is canceled due to the Annual Retreat on November 22, 2024. The next DHCC meeting is scheduled for December 5, 2024, 9:00 a.m. – 11:00 a.m.

**Public Meeting Attendees  
October 3, 2024  
Public Meeting Attendees (Virtual)**

Alyson Ramsaier	Mercer
Anthony Onugu	United Medical LLC
Bria Greenlee	
Brian Frazee	DHA
Ceil Tilney	League of Women Voters
Christina Bryan	Delaware Healthcare Association
Christina Haas	DOI
Christina Miller	DOI
Christine Vogel	DOI
Dan Wendt	Mercer
David Bentz	DHSS
Dawn Garland	DHIN
Delaney McGonegal	MACHC
Gurpreet Kaur	DHIN
Jessica Luff	DOI
Jonathan Mathieu	Freedman Healthcare
Judy Butler	League of Women Voters

Kathy Collison	DSAMH
Krishna Upadhya	DMMA
Laurie Klanchar	Mercer
Lisa Gruss	Medical Society of Delaware
Maggie Norris-Bent	Westside Family Healthcare
Matt Enright	DHIN
Melissa Marlin	DOF
Nick Conte	DPH
Nicole Moxley	DHSS
Pam Gardner	DHSA
Peggy Geisler	PMG Consulting
Peter Scharl	Oliver Wyman
Richa Shah	United Medical
Ryan Schultz	Oliver Wyman
Sely-Ann Headley Johnson	Freedman Healthcare
Sherry Nykiel	DMMA
Stephanie Hartos	DHR
Steven Costantino	DHSS
Susan Jennette	DOI
Tammy Tomczyk	Oliver Wyman
Victoria Brennan	Leg Hall
Wayne Smith	